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## DIGEST

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HB 441 Original

2015 Regular Session

Leger

**Abstract:** Changes the tax credit for ad valorem taxes paid on inventory from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections.

Proposed law changes the tax credit as it relates to ad valorem taxes paid for inventory held by manufacturers, distributors, and retailers from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6006(A) and (B))